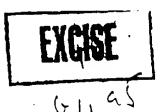
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SECRETARY'S MCFHIEG SUMMARY FOR JUNE 30 1989

PRC: BEIJING UNREPENTANT, SANCTIONS "FUTILE" PREMIER LI PENG USED HIS MEETING YESTERDAY WITH THE SAO TOME AND PRINCIPE FOREIGN MINISTER--THE FIRST TO VISIT CHINA SINCE TROOPS CRUSHED THE DEMOCRACY MOVEMENT -- TO REITERATE THAT CHINA WILL "FIRMLY PERSIST" WITH SOCIALISM, REFORM, AND OPENING TO THE OUTSIDE AND TO DECRY "UNWARRANTED ACCUSATIONS" ABOUT SUPPRESSION OF THE "REBELLION," ACCORDING TO PRESS REPORTS. THE FOREIGN MINISTRY CRITICIZED EC SANCTIONS AS "UNREASONABLE" AND "FUTILE" AND CALLED US ACTIONS VIOLATIONS OF CHINESE AND INTERNATIONAL LAW. PRESIDENT YANG SHANGKUN TOLD A BOLIVIAN DELEGATION THAT "SEVERAL WESTERN COUNTRIES ARE WANTONLY CLAMORING TO IMPOSE PRESSURE ON CHINA" BUT "CHINA WILL TAKE ITS OWN ROAD." IN HIS FIRST MAJOR ADDRESS SINCE BECOMING GENERAL SECRETARY, JIANG ZEMIN SAID CHINA'S REFORM AND OPENING TO THE OUTSIDE WOULD BE "SOCIALIST-ORIENTED."

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2. CHINA: BEIJING'S MONG, HOT SUMMER
CHINA'S LEADERS PAPERED OVER DIFFERENCES AT THE CENTRAL
COMMITTEE PLENUM LAST WEEK, BUT SIGNALS PERSIST OF STRONG
DISAGREEMENTS OVER POLICY, AND THE PLENUM COMMUNIQUE
HINTS AT FURTHER "ADJUSTMENTS" TO THE LEADERSHIP. DESPITE

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YESTERDAY'S MEETING OF THE NATIONAL PEOPLE'S CONGRESS STANDING COMMITTEE, DELAYED BY PREPARATIONS FOR THE PLENUM, WAS INTENDED TO SYMBOLIZE BEIJING'S RETURN TO NORMALITY.

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PERSONNEL CHANGES INCOMPLETE

ALTHOUGH THE PLENUM PICKED A NEW PARTY CHIEF AND RESTAFFED THE POLITBURO STANDING COMMITTEE AND SECRETARIAT AFTER THE PURGE OF ZHAO ZIYANG AND HIS ASSOCIATES, IT DID NOT ELECT NEW POLITBURO MEMBERS OR SELECT A REPLACEMENT FOR ZHAO IN THE MILITARY COMMISSION. MOREOVER, A NUMBER OF CENTRAL COMMITTEE MEMBERS MAY BE UNDER INVESTIGATION FOR SUPPORTING STUDENT PROTESTS; IF JUDGED GUILTY, THEY COULD BE REMOVED.

A PARTY CONGRESS--OR A "REPRESENTATIVE CONFERENCE," AN INTERIM FORUM USED IN 1985 TO RESHUFFLE THE LEADERSHIP--WILL BE NEEDED TO MAKE THESE CHANGES. LEADERS WILL PROBABLY AIM TO CONVENE THE MEETING IN THE FALL;

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